

# Introducing ICT into the public sector and enhancing transparency

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## **1. The best-examples of Korea's IT Technology in the public sector: e-People & KONEP**

As Korea is a country that has produced and exported its products targeting the global market, it has some advantages in taking the opportunity of globalization for its economic growth. Furthermore, because Korea holds a prominent position in terms of IT development as an IT powerhouse, shown in its highest internet access rate and best internet service, it is possible for the country to develop its knowledge-information industry based on such IT advancement.

How IT will enhance transparency and anticorruption?

Simply introduce and set up IT into gov't, it is expected to have dramatical progresses in the public sector in terms of increasing transparency and accountability which resulted in huge outcomes in the anticorruption policy.

IT can diminish the possibilities of corruption introducing on-line base contact instead of direct interpersonal contact.

IT made it easier for people no longer to meet the officials they had to meet at each stage of the petition application. Corruption has been prevented dramatically by eliminating the face-to-face contact that was the beginning of large and small corruption in the past. The complicated and opaque administrative procedures that occurred at each stage from application to reception, screening, judgment and notification phases have almost disappeared.

In addition, the on-going procedure for application is shared with the applicant on a real-time base through the Internet as well as the results of the application are notified promptly through a transparent process, which has also eliminated the secrecy and closed administrative practices that have promoted corruption. For example, the apartment application system, one of the most corrupt sectors in Korea, can now be regarded as a representative process of transparency by the introduction of IT technology, which is all determined by the Internet.

E-People, Korea's IT-based Government civil petition handling system, received and handled 2.3 million cases of complaints, appeals, requests from the people by computer system as of 2016.

On the other hand, KONEP, Korea's procurement system has also dramatically enhanced the transparency of the public procurement process. Bid results are opened on line on a real-time base, so there is no room for public official to make any arbitrary decisions. As of 2016, 93% E-Bidding came out of the entire volume in the procurement contract.

"Change the culture not the people."

"People cannot change by themselves. However, people can change the culture like IT does."

## **2. Audit on Operation of the Government Procurement System**

With the rapid development of IT technology such as the Internet, traditional business transactions are giving way to online transactions and the needs of customers are becoming increasingly diversified. Under the circumstances, in government procurement, the needs of customers should be also reflected carefully not only in the prices of procured goods but also in terms of quality, designs and timing of demand, raising the necessity for changes in the government procurement efforts.

In addition, problems emerged in the government's stockpile management, as, in pushing ahead with its storage plan, the government did not release sufficient stockpiles, despite sharp hikes in raw material prices, causing difficulties among mid-and-small-sized companies.

Against this background, the right audit will be required to conduct with the objectives to carry out an overall examination of the government procurement system to seek ways for improvement for fair competitive bidding on procured goods and quality improvement, and to inspect whether the government's stockpile management is adequate.

## **3. ICT and Blockchains**

The ICT revolution has placed cheap and powerful computational capacity in the hands of many people around the globe. As a result, the physical capital for creation and Production is now broadly distributed throughout society –and in control of individuals, rather than under the control of large-scale entities such as corporations, governments and research institutions. One example of this has been seen in the media industry, with the development of user generated content (UGC) and the increasing popularity of platforms such as YouTube. Blockchain is very similar to this concept, except that it allows individuals to exchange money and other assets with one another, without requiring an intermediary to do so.

While the application of technology to improve business processes is nothing new, previous generations of technology were predominantly about the faster and more secure exchange of information; that is, they were aimed at delivering the same objectives faster (e.g., back office services such as payroll and accounting were digitalized).

Blockchain, meanwhile, is about the exchange of value; it is intended to enable individuals to exchange currency and other assets with one another without relying on a third party to manage the transactions. It also implies the dramatic redefinition of the business processes associated within and between companies and between citizens and government as well.

#### **4. ICT, a key role of Anticorruption Policy**

Yes, it will take much time to enhance transparency and accountability in that anticorruption policy must be one of the core government policies but it includes also so many political issues. In this sense, I would like to suggest introducing ICT (Information & Communication Technology) to governments which is not only politic free but is enormous effective to increase transparency and accountability to good governance instead adopting anticorruption measures in many countries.

As you are fully aware, I have no doubt Korea becomes one of the top countries in terms of transparency and accountability by introducing ICT to all the areas of the public sector as well as the private sector based on its high technology. According to the annual ICT evaluation of IDI [ICT Development Index] by ITU (International Telecommunication Union), Korea has always ranked top since it started in 2008. Furthermore, there is highly positive relation between IDI and CPI (Corruption Perception Index by Transparency International). Unfortunately, Korea is still perceived as corrupt country despite its great outcomes and efforts so far unlike other high ICT countries. Like corruption, perception cannot change quickly. However, IDI looks more objective than the CPI based on mostly perception.

#### **5. Some Challenges that government faces**

##### **☐ Harmonization of privacy protection and information utilization**

The Fourth Revolution is based on Big Data, and Big Data utilizes an inseparable relationship with personal information

- Historical relics of indiscriminate collection and abuse of personal information during the authoritarian government. Korean NGOs are concerned about collecting personal information.
- As the recent 4th revolution and the launch of the new government, civic organizations recognize the necessity of utilizing personal information.
- Need to have a serious conversation about utilization of personal information between civil society and industry

Experts such as civic groups, industry, government, judiciary, academia, etc. have agreed on the use of personal information through discussions over 20 hours a day and two days.

##### **☐ Hacking and cyber attack defense**

- Increased importance of network by the arrival of 4th revolution

- In the era of the Fourth Revolution, where everything is connected and communicated, various industries, economies, and social activities are becoming network-based,
- As the importance of the network increases, hacking and cyber attacks are becoming more diverse to infiltrate information and systems in the network and to achieve economic gains and social purposes illegally.
- Establish cyber security strategy in intelligent information age
- Korea has set up a secretary in charge of cyber security in the presidential secretariat for the national security response to cyber security. In the private sector, the Ministry of Information and Communication, the government and the public sector are co-responsible for the cyber security by the Ministry of Public Administration and Security and the National Intelligence Service . Also, Corresponding to defense security, establishment of a system that responds to cyber attacks by the Ministry of National Defense
- IoT security strategy that is necessary for various information gathering essential for the fourth revolution, security authentication system for each field, automatic threat detection technology using AI, etc. Establishment of information protection policy for intelligent information age
- The Korea Information Security Agency (KISA) by the request of the Korean government has conducted train of the information security experts in developing countries, to train infringement countermeasures among CERTs (Computer Emergency Response Team), and to share infringement information

#### ☑ Regulatory innovation and vested interest adjustment

- Korea can use public transportation such as subways and buses as a single card all over the country.
- Introduced the transportation card system by introducing the improvement of the convenience of people's life and the stabilization of the employment of related staff by introducing the traffic card,
- LGCNS, an information-oriented company in Korea, was responsible for the introduction of the Seoul Transportation Card System and then exported the system to various countries such as New Zealand, Malaysia and Colombia
- Currently, the Korean government is pushing for the introduction of a ride sharing service similar to Uber, it met extreme opposition by the taxi business
- Expansion of accommodation sharing service similar to Air Bianbi is being promoted, but opposition from existing hotel industry is severe
- In order to store and utilize big data in the public sector, cloud service should be introduced, but the Ministry of Health and Welfare is opposed to the security of data and the possibility of reduction of **public officials**.